



TI News: *An information service from the Office of Travel & Tourism Industries (OTTI)*

June 10, 2013

U.S. COMMERCE DEPARTMENT FORECASTS CONTINUED STRONG GROWTH FOR INTERNATIONAL TRAVEL TO THE UNITED STATES — 2013-2018

The U.S. Department of Commerce (DOC) projects international travel to the United States will continue experiencing strong growth through 2018, based on the Office of Travel & Tourism Industries' 2013 Spring Travel Forecast.

Building on a record-breaking 2012, visitor volume is expected to rise 4.0 percent in 2013, reaching 69.6 million visitors who stay one or more nights in the United States.”

According to the current forecast, the United States would see 3.7 percent to 4.2 percent annual growth rates in visitor volume over the 2013-2018 timeframe. By 2018 this growth would produce 84.6 million visitors, a 26 percent increase and 17.6 million additional visitors compared to 2012. The latest forecast reduces the compound annual growth rate over the forecast period from 4.2 percent to 4.0 percent.

All world regions are forecast to grow over the period, ranging from a low for the Caribbean (+1%), to a high for the Middle East (+67%), Asia (+60%), and South America (+52%). Among the top origin markets, those with the largest forecasted total growth percentages are China (+229%), Saudi Arabia (191%), Russian Federation (+79%), Brazil (+66%), Argentina (+65%), and Columbia (+54%). Spain is the only top 40 visitor origin country forecast to decline from 2012 through 2018, while growth from Jamaica and Italy is expected to be very small.

North America will account for nearly half (42%) of the total visitor growth of 17.6 million visitors by 2018. Asia (29% of total growth), South America (13%), and Western Europe (8%) account for the bulk of the remaining 58 percent of total growth in visitor volume expected in 2018 compared to 2012 actual volume.

Four countries are expected to account for 68 percent of the projected growth from 2012 through 2018: Canada (30%), China (19%), Mexico (12%) and Brazil (7%). Despite China and Brazil's consistently high growth rates, the traditional top origin countries will dictate the ultimate accuracy of the forecast. In fact, the expected *growth* from Canada is larger than the expected total visitor *volume* for any other country by 2018, except Mexico.

ADDITIONAL FORECAST DETAIL AND LINKS

Forecast Highlights by Region

North America: The top two markets generating visitors to the United States – Canada and Mexico – are forecast to increase in 2013 by 5 percent and 2 percent, respectively, and to grow by 5.2 million

and 2.2 million, or +23 and +15 percent, respectively, from 2012 to 2018. Growth from both countries would build on record-setting performances in 2012.

Europe: Europe is projected to decline by less than 1 percent in 2013, followed by low but increasing growth over the next five years. The low-growth scenario for Europe is produced by dominant and low-growth Western Europe. Annual growth from smaller Eastern Europe is expected to range from 5.2 percent to 6.7 percent. By 2018 arrivals from Europe are projected to be 14.1 million, or 13 percent higher than the 2012 total. The largest growth in Europe will come from the U.K. (+555,000), Germany (+216,000), and France (+182,000). This growth will reflect low-growth rates based on large volume bases.

Asia-Pacific: Asia is projected to generate a visitor increase of 8 percent in 2013. The region is projected to have consistently large increases over the next few years for a total 60 percent increase from 2012 to 2018. Japan, the largest Asian market and second-largest overseas market, is forecast to increase by 2 percent in 2013 and at a similar level through 2018 to produce total growth of 446,000 additional travelers by the end of 2018. However, 2018 volume will remain well below the 1997 record level of 5.4 million. High growth rates and high growth volumes are expected for China (30%), South Korea (8%), and India (7%) in 2013. Similarly, these three countries are expected to have among the largest total growth rates of any country from 2012 through 2018. China is expected to increase a total of 3.4 million visitors, or 229 percent through 2018, the second-largest number of additional visitors behind Canada. South Korea should produce an additional 540,000 visitors (+43%), while India could add 313,000 new visitors (+43%). Oceania is expected to post 7 percent growth in 2013, and add 466,000 visitors (+35 percent) through 2018. Australia dominates the Oceania region and is projected to increase 439,000 visitors, or 39 percent between 2012 and 2018.

South America: South America is projected to increase by 11 percent in 2013, the largest growth rate of any region, and should remain a top producer of additional travelers for the next several years. By 2018 South America should generate 2.3 million more visitors, a 52 percent increase compared to 2012. Brazil, the largest source market in the region, is expected to build on its 2012 record-breaking performance, and increase 14 percent in 2013 and produce 2.0 million visitors. By 2018 the United States could host 3.0 million Brazilian visitors, a 66 percent increase over 2012. Venezuela, Argentina, and Columbia, in 2012 ranked 13, 14, and 16, respectively, are forecast to have high but declining growth rates through 2018. Argentina should produce the greatest growth of 397,000 visitors (+65%), followed closely by Colombia's additional 325,000 visitors (+54%) and Venezuela's potential growth of 195,000 visitors (+29%).

The U.S. travel forecast was prepared by research staff in the Department of Commerce/Office of Travel & Tourism Industries using economic / demographic / social factors, DOC historical visitation trends, input from the DOC U.S. & Foreign Commercial Service staff abroad, and numerous other miscellaneous sources. The DOC Travel Forecast is updated in May and October each year.

For more information on the OTTI Travel Forecast, including data tables for the world regions, data tables for the top 40 visitor origin countries, and justification for each country forecast, including positive and negative factors that might influence travel from each country to the United States, please visit: <http://www.tinet.ita.doc.gov/view/f-2000-99-001/index.html>

Travel and tourism is the largest services export industry for the United States and has produced a trade surplus since 1989. For official information on international travel to the United States, please visit: <http://www.tinet.ita.doc.gov/>